



Memorandum Human Resources

Date: June 24, 2010

To: Mario Jimenez, President AFSCME Chapter for Morgan Hill

From: Brian Stott, Assistant to the City Manager / Human Resources Director

Subject: Side Letter between AFSCME Local 101 and the City of Morgan Hill Regarding MOU Amendment

This side letter confirms the City and AFSCME agreement to amend the current AFSCME labor contract dated July 1, 2007 – June 30, 2013. The City of Morgan Hill and AFSCME have agreed to the following:

1. ARTICLE V – SALARY, WAGES & PAID BENEFITS

Amend this section to eliminate the 2.5% salary and wage increase that was to be effective September 1, 2010.

Amended Schedule of Salary and Wage Increases

| Percent Increase | Effective Date |
|---------------------------------|-------------------|
| Two and One Half (2.5%) Percent | September 1, 2011 |
| Three (3%) Percent | September 1, 2012 |

2. ARTICLE V – SALARY, WAGES & PAID BENEFITS

AFSCME represented employees will forgo the granting of Merit Increases for a period not to exceed twelve (12) months from the date the employee was eligible for said Merit Increase in fiscal year 2010-2011. (Section 7, Rule 7.7 a., of the Personnel Rules of the City of Morgan Hill)

3. ARTICLE VII – TYPES OF LEAVE

The City agrees to allow employees laid off as a result of the FY 10-11 budget adoption the option to receive pay for their accrued sick leave balances

4. ARTICLE XI – MISCELLANEOUS

The City shall make a good faith effort to use funds saved by the AFSCME salary and wage concessions set forth in numbers 1 and 2 to avoid layoffs of employees in the AFSCME bargaining unit. Further, the City shall make a good faith effort to fund an additional Utility Worker I position as referenced in the May 14, 2010 Budget Message.

For the Union

For the City

Mario Jimenez
AFSCME Local 101 President

Date

Brian Stott
Human Resources Director

Date